

Recession fears and concerns that the Fed may consider a longer rate-hike cycle sent stocks lower for the week.

The Dow Jones Industrial Average dropped 2.77%, while the Standard & Poor's 500 fell 3.37%. The Nasdaq Composite index lost 3.99% for the week. The MSCI EAFE Index, which tracks developed overseas stock markets, dipped 1.09%.^{1,2,3}



Stocks Slide

Stocks were under pressure much of the week due to resurgent recession fears and concerns that Fed rate hikes may go higher for longer than current expectations. There was some good news last week on the economic front and out of China, which started to loosen COVID restrictions. But it was a week where good news was considered bad news, as any signs of economic resilience stoked worries of a longer rate-hike cycle.

Higher continuing jobless claims signaled economic softness, triggering a Thursday rally. But stock prices were under pressure Friday following a disappointing Producer Price Index (PPI) number.

Producer Inflation Disappoints

The Labor Department reported that the PPI rose 0.3% in November and 7.4% from a year ago. Though wholesale prices inflation rose at the slowest 12-month pace since May 2021, they exceeded market expectations. Price pressures were felt most in the services sector, where costs rose 0.4% after a 0.1% increase the month before. Goods inflation eased to a rise of 0.1%, a sharp drop from its October gain of 0.6%.⁴

Though the PPI number dented the optimism around cooling inflation, November's PPI report represented an improvement from its 11.7% peak in March.⁵

This Week: Key Economic Data

Tuesday: Consumer Price Index (CPI).

Wednesday: Federal Open Market Committee (FOMC) Meeting Announcement.

Thursday: Jobless Claims. Retail Sales. Industrial Production.

Friday: Purchasing Managers' Index (PMI) Composite.

Source: Econoday, December 9, 2022

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

This Week: Companies Reporting Earnings

Thursday: Adobe, Inc. (ADBE).

Friday: Darden Restaurants, Inc. (DRI).

Source: Zacks, December 9, 2022

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.



"The winter of the spirit must be journeyed through, and it must not only be conquered but the benefits used. Yet without it maturity cannot arrive."

– Jane Roberts



Traveling for Work? Here's What You Need to Know About Business-Related Travel Deductions

Business travel deductions are available when employees travel away from their tax home or principal place of work for business reasons. The travel period must be substantially longer than an ordinary day's work, and a need for sleep or rest to meet the demands of the work while away.

Some examples of deductible travel expenses include:

- Airline, bus, or train tickets or mileage rates to drive
- Fare for taxis or other types of transportation between an airport to a hotel and from a hotel to a work location
- Baggage fees
- Lodging
- Dry cleaning or laundry

If you are self-employed, you can deduct your travel expenses using Schedule C (Form 1040), Profit or Loss From Business (Sole Proprietorship).

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS.gov⁶



Meet The Warrior Poses of Yoga

These warrior poses can help stretch and strengthen your body and are the foundation of most yoga practices. Let's meet the five warrior poses of yoga!

- **Warrior I** - In warrior I, the front knee is bent, and the hips are turned to the front of your mat. Your arms are raised.
- **Warrior II** - Warrior II is a lateral pose with your front knee bent, and your hips turned to the side. Your arms are parallel to your hips.
- **Warrior III** - Balancing on one foot, the standing leg is straight, and the opposite leg is lifted behind you when your arms reach forward.
- **Humble/Peaceful Warrior** - Your legs are in the same position as Warrior II, but your chest is bent toward your front leg with your arms clasped behind your back.
- **Reverse Warrior** - Your legs are in the same position as Warrior II, but your arms and torso reach backward, and your chest is facing the sky.

Tip adapted from Yoga Basics⁷



What item binds two people yet touches only one?

Last week's riddle: A train moving as fast as it can go strikes a man's hand, yet he is uninjured and the train goes off its tracks. Under what circumstances could this happen? Answer: The train that strikes the man is a toy train running around on a model set.



Great Barrier Reef, Australia



Footnotes and Sources

1. The Wall Street Journal, December 9, 2022
2. The Wall Street Journal, December 9, 2022
3. The Wall Street Journal, December 9, 2022
4. CNBC, December 9, 2022
5. CNBC, December 9, 2022
6. IRS.gov, August 8, 2022
7. Yoga Basics, March 11, 2021

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The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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